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**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**

**ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/24/07

**Melvin L. Davis**  
**Certified Public Accountant**

(A Limited Liability Company)

**CITY OF BAKER SCHOOL BOARD**  
Baker, Louisiana

Basic Financial Statements  
For the Year Ended June 30, 2006

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**Melvin L. Davis**  
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**INDEPENDENT AUDITOR'S REPORT**

The City of Baker School Board  
Baker, Louisiana

Board Members and Superintendent:

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Baker School Board, as of and for the year ended June 30, 2006, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. My responsibility is to express opinions on these financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, I express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Because of the inadequacy of accounting records for the fiscal years prior to July 1, 2005, I am unable to form an opinion regarding the amounts at which assets, liabilities, and net assets (stated at \$6,097,225, \$1,453,427, and \$4,643,798, respectively) were recorded in the accompanying balance sheet at the beginning of the year ended June 30, 2006.

Because I was not able to perform certain payroll related tests and due to the failure to analyze and reconcile certain general ledger accounts, I was unable to satisfy myself about the completeness and accuracy of certain account balances.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had prior-year records concerning assets, liabilities, and net assets been adequate and the failure to perform certain payroll tests, analyze, reconcile certain accounts, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 29, 2006, on my consideration of the School Board's internal control over financial reporting and on my tests

of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it. The School Board has not presented the budgetary comparison information for the general and other major funds that accounting principles generally accepted in the United States of America require to supplement although not to be part of, the basic financial statements.

My audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the School Board's financial statements. The supplemental information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by OMB Circular A-133, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying supplementary information consisting of the combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. I did not audit the information and I express no opinion on it.



Melvin L. Davis, CPA, LLC

Baton Rouge, Louisiana  
December 29, 2006

**REQUIRED SUPPLEMENTARY INFORMATION**

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**

**CITY OF BAKER SCHOOL BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2006**

As management of the City of Baker School Board (School Board) we offer readers of the School Board's financial statements this narrative overview and analysis of the financial activities of the School Board for the fiscal year ended June 30, 2006. The emphasis of discussions about these statements will be on current year data.

**Financial Highlights**

- Net assets increased by \$2,128,311 for the year ended June 30, 2006. At June 30, 2006, the School Board's total net assets are \$7,013,533.
- The fund balances of all governmental funds increased by \$1,944,174. The fund balance of the general fund increased by \$1,824,350 mainly due to a slight increase in ad valorem and sales and use revenues.
- The City of Baker School Board bonded debt decreased by \$406,966 during the current fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School Board's basic financial statements. The School Board's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the School Board's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the School Board's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10 and 11 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School Board are categorized as governmental funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**CITY OF BAKER SCHOOL BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2006**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School Board maintains thirty individual governmental fund groups. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund. Data for the other twenty-eight governmental fund groups, all within the special revenue fund are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The School Board adopts a combined annual budget for its general fund and special revenue funds. Because the budgets were combined, the School Board was unable to present budgetary comparison schedules to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 13 - 23 of this report.

*Fiduciary funds.* Fiduciary funds are used to account for assets held by the City of Baker School Board on behalf of students and other in a position of trust. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Baker School Board's programs. The School Board's fiduciary funds consist of the Student Activity Accounts maintained at the schools and the Payroll Fund, which accounts for voluntary and mandatory payroll withholdings.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 - 37 of this report.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the School Board, assets exceeded liabilities by \$7,013,533 at the close of the 2006 fiscal year.



**CITY OF BAKER SCHOOL BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2006**

The following is a summary of the School Board's net assets:

<b>CITY OF BAKER SCHOOL BOARD</b>		
<b>Net Assets</b>		
	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,962,069	\$ 2,593,035
Cash with fiscal agents	106,763	99,484
Investments	197,702	189,852
Receivables	2,106,472	1,273,297
Prepaid expenses	30,788	-
Inventory	22,885	22,885
Capital assets (net of accumulated depreciation):		
Land	149,536	149,536
Buildings and Improvements	1,531,346	1,240,416
Furniture and equipment	386,116	528,720
<b>TOTAL ASSETS</b>	<u>\$ 8,493,677</u>	<u>\$ 6,097,225</u>
<b>LIABILITIES</b>		
Accounts, salaries, and other payables	\$ 121,984	\$ 5,982
Deferred revenues		53,474
Long-term liabilities:		
Due within one year	448,797	447,363
Due in more than one year	909,363	946,608
<b>TOTAL LIABILITIES</b>	<u>1,480,144</u>	<u>1,453,427</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	2,066,998	1,918,672
Restricted for:		
Debt service	106,763	99,484
Other purposes	662,483	549,937
Unrestricted	4,177,289	2,075,705
<b>TOTAL NET ASSETS</b>	<u>\$ 7,013,533</u>	<u>\$ 4,643,798</u>

By far the largest portion of the School Board's net assets reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The School Board uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the School Board's net assets represents resources that are subject to external restrictions on how they may be used.

**CITY OF BAKER SCHOOL BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2006**

At the end of the current fiscal year, the School Board is able to report positive balances in all categories of net assets.

The following is a summary of the School Board's changes in net assets:

<b>CITY OF BAKER SCHOOL BOARD Changes in Net Assets</b>		
	<u>2006</u>	<u>2005</u>
<b>REVENUES:</b>		
Charges for services	\$ 79,822	\$ 82,958
Operating grants and contributions	2,969,998	2,777,130
General revenues:		
Ad Valorem taxes	1,234,069	1,074,962
Sales and use taxes	3,404,892	2,683,994
Minimum Foundation Program	10,120,745	10,330,720
Others	423,962	643,788
Total revenues	<u>18,233,488</u>	<u>17,593,552</u>
<b>EXPENSES:</b>		
Instruction:		
Regular programs	6,348,149	5,478,808
Special education programs	1,071,102	1,026,294
Vocational programs	208,941	156,601
Other instructional programs	312,852	3,546
Special programs	808,205	1,019,501
Adult/Continuing education programs		35,595
Support services:		
Pupil support services	708,557	689,939
Instructional staff support	566,104	612,195
General administration	970,699	743,570
School administration	937,368	877,506
Business services	225,898	242,748
Plant services	1,481,088	1,355,647
Student transportation services	601,756	530,179
Central services	289,132	341,620
Food services	938,968	739,046
Community service programs	66,271	
Other support services	14,302	85,739
Facility acquisition and construction	197,560	243,604
Debt service:		
Interest on long-term debt	27,935	41,070
Depreciation - unallocated	330,290	48,984
Total expenses	<u>16,105,177</u>	<u>14,272,192</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 2,128,311</u>	<u>\$ 3,321,360</u>

**CITY OF BAKER SCHOOL BOARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2006**

**Capital Asset and Debt Administration**

**Capital assets.** The School Board's investment in capital assets for its governmental activities as of June 30, 2006, amounts to \$2,066,998 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and furniture and equipment. The total increase in the School Board's investment in capital assets for the current fiscal year was \$148,326 for the governmental activities.

**CITY OF BAKER SCHOOL BOARD'S  
Capital Assets (Net of depreciation)**

Land	\$ 149,536
Buildings and improvements	1,531,346
Furniture and equipment	<u>386,116</u>
Total	<u><u>\$ 2,066,998</u></u>

Additional information on the School Board's capital assets can be found in note 6 on page 31 of this report.

**Long-term debt.** At the end of the current fiscal year, the School Board had total debt outstanding of \$717,691, all of which is backed by the full faith and credit of the City of Baker School Board. This represents a decreased of \$406,966 during the current fiscal year. The key factor in this decrease was the liquidation of current principal payments due during the year ended June 30, 2006.

**Request for Information**

This financial report is designed to provide a general overview of the City of Baker School Board's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mrs. Sidney Stewart, Business Manager, City of Baker School System, Post Office Box 680, Baker, Louisiana 70704-0680.

**BASIC FINANCIAL STATEMENTS:**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

## Statement A

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**Statement of Net Assets**  
**June 30, 2006**

**ASSETS**

Cash and cash equivalents	\$ 3,962,069
Cash with fiscal agents	106,763
Investments	197,702
Receivables	2,106,472
Prepaid expenses	30,788
Inventory	22,885
Capital assets (net of accumulated depreciation):	
Land	149,536
Buildings and Improvements	1,531,346
Furniture and equipment	<u>386,116</u>

**TOTAL ASSETS**\$ 8,493,677**LIABILITIES**

Accounts, salaries, and other payables	\$ 121,984
Long-term liabilities:	
Due within one year	448,797
Due in more than one year	<u>909,363</u>

**TOTAL LIABILITIES**1,480,144**NET ASSETS**

Invested in capital assets, net of related debt	2,066,998
Restricted for:	
Debt service	106,763
Other purposes	662,483
Unrestricted	<u>4,177,289</u>

**TOTAL NET ASSETS**\$ 7,013,533

The notes to the financial statements are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**Statement of Activities**  
**For the Year Ended June 30, 2006**

		<b>Program Revenues</b>		<b>Net (Expenses)</b>
		<b>Charges for</b>	<b>Operating</b>	<b>Revenue and</b>
	<b>Expenses</b>	<b>Services</b>	<b>Grants and</b>	<b>Changes in Net</b>
			<b>Contributions</b>	<b>Assets</b>
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental activities:</b>				
<b>Instruction:</b>				
Regular programs	\$ 6,348,149	-	\$ 401,758	\$ (5,946,391)
Special education programs	1,071,102	-	340,295	(730,807)
Vocational programs	208,941	-	26,357	(182,584)
Other instructional programs	312,852	-	-	(312,852)
Special programs	808,205	-	1,005,145	196,940
<b>Support services:</b>				
Pupil support services	708,557	-	5,643	(702,914)
Instructional staff support	566,104	-	148,215	(417,889)
General administration	970,699	-	-	(970,699)
School administration	937,368	-	23,865	(913,503)
Business services	225,898	-	7,823	(218,075)
Plant services	1,481,088	-	5,479	(1,475,609)
Student transportation services	601,756	-	18,642	(583,114)
Central services	289,132	-	14,735	(274,397)
Food services	938,968	\$ 79,822	905,770	46,624
Community services operations	66,271	-	66,271	-
Other support services	14,302	-	-	(14,302)
Facility acquisition and construction	197,560	-	-	(197,560)
<b>Debt service:</b>				
Interest on long-term debt	27,935	-	-	(27,935)
Depreciation - unallocated	330,290	-	-	(330,290)
<b>Total Governmental Activities</b>	<b>\$ 16,105,177</b>	<b>\$ 79,822</b>	<b>\$ 2,969,998</b>	<b>(13,055,357)</b>
<b>General Revenues:</b>				
<b>Taxes:</b>				
Property taxes				1,234,069
Sales and use taxes				3,404,892
State revenue sharing				35,357
<b>Grants and contributions not restricted to specific purposes:</b>				
Minimum Foundation Program				10,120,745
Interest and investment earnings				139,286
Miscellaneous				249,319
<b>Total General Revenues</b>				<b>15,183,668</b>
<b>Change in Net Assets</b>				<b>2,128,311</b>
<b>Net Assets - July 1, 2005, as restated</b>				<b>4,885,222</b>
<b>Net Assets - June 30, 2006</b>				<b>\$ 7,013,533</b>

The notes to the financial statements are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS:**  
**FUND FINANCIAL STATEMENTS (FFS)**

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**GOVERNMENTAL FUNDS**  
**Balance Sheet**  
**June 30, 2006**

		<u>Special Revenue Funds</u>	
	<u>General Fund</u>	<u>Title I</u>	<u>Special Education IDEA Part B</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,955,461	\$ (724,243)	\$ (361,967)
Cash with fiscal agents	-	-	-
Investments	197,702	-	-
Receivables	420,441	761,372	378,306
Prepaid expenses	30,788	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 5,604,392</u>	<u>\$ 37,129</u>	<u>\$ 16,339</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts, salaries, and other payables	\$ 68,943	\$ 28,635	\$ 16,341
<b>TOTAL LIABILITIES</b>	<u>68,943</u>	<u>28,635</u>	<u>16,341</u>
Fund balances:			
Reserved for:			
Inventory	-	-	-
Debt service	-	-	-
Unreserved:			
Designated for:			
General Fund	5,535,449	-	-
Special Revenue Fund	-	8,494	(2)
<b>TOTAL FUND BALANCES</b>	<u>5,535,449</u>	<u>8,494</u>	<u>(2)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 5,604,392</u>	<u>\$ 37,129</u>	<u>\$ 16,339</u>

The notes to the financial statements are an integral part of this statement.



# Statement C

Other Non-Major Governmental Funds	Total
\$ 95,818	\$ 3,965,069
106,763	106,763
-	197,702
543,353	2,103,472
-	30,788
22,885	22,885
<u>\$ 768,819</u>	<u>\$ 6,426,679</u>

<u>\$ 8,065</u>	<u>\$ 121,984</u>
<u>8,065</u>	<u>121,984</u>

22,885	22,885
106,763	106,763
-	5,535,449
<u>631,106</u>	<u>639,598</u>
<u>760,754</u>	<u>6,304,695</u>
<u>\$ 768,819</u>	<u>\$ 6,426,679</u>

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**June 30, 2006**

<b>Total Fund Balances at June 30, 2006 - Governmental Funds</b>		<b>\$ 6,304,695</b>
Cost of capital assets at June 30, 2006	<b>\$ 9,233,682</b>	
Less: Accumulated Depreciation as of June 30, 2006:		
Infrastructure	(729,758)	
Buildings and improvements	(4,969,971)	
Furniture and equipment	<u>(1,466,955)</u>	2,066,998
Long-term liabilities at June 30, 2006:		
Compensated absences payable	(390,469)	
Claims and judgments	(250,000)	
City of Baker School District Loan	(332,691)	
Revenue Bonds, Series 2002, bonds payable	<u>(385,000)</u>	<u>(1,358,160)</u>
<b>Net Assets at June 30, 2006 - Governmental Activities</b>		<b><u>\$ 7,013,533</u></b>

The notes to the financial statements are an integral part of this statement.

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**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**GOVERNMENTAL FUNDS**  
**Statement of Revenue, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2006**

		<u>Special Revenue Funds</u>	
	<u>General</u>	<u>Title I</u>	<u>Special Education IDEA Part B</u>
	<u>Fund</u>		
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 1,234,069	-	-
Sales and use	3,404,892	-	-
Interest earnings	132,334	-	-
Charges for services	-	-	-
Other	68,930	-	-
State sources:			
Minimum Foundation Program	10,100,246	-	-
Professional Improvement Program	54,113	-	-
Restricted grants-in-aid	96,671	-	-
Federal grants	30,409	\$ 826,332	\$ 425,835
Total revenues	15,121,664	826,332	425,835
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	6,110,048	-	5,392
Special education programs	758,455	-	324,967
Vocational programs	180,626	-	-
Other instructional program	72,098	-	-
Special program	61,744	767,323	-
Support services:			
Pupil support services	721,204	-	-
Instructional staff support	432,502	47,396	48,358
General administration	739,301	-	-
School administration	937,699	-	23,865
Business services	223,906	3,119	-
Plant services	1,528,728	-	-
Student transportation services	598,647	-	926
Central services	274,397	-	-

(Continued)

The notes to the financial statements are an integral part of this statement.

# Statement E

Other Non-Major Governmental Funds	Total
-	\$ 1,234,069
-	3,404,892
\$ 6,952	139,286
79,822	79,822
42,994	111,924
20,499	10,120,745
-	54,113
339,104	435,775
<u>1,370,287</u>	<u>2,652,863</u>
<u>1,859,658</u>	<u>18,233,489</u>

396,367	6,511,807
15,328	1,098,750
26,357	206,983
237,822	309,920
-	829,067
5,643	726,847
52,460	580,716
-	739,301
-	961,564
4,704	231,729
5,480	1,534,208
17,716	617,289
14,735	289,132

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**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**GOVERNMENTAL FUNDS**  
**Statement of Revenue, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2006**

		<u>Special Revenue Funds</u>	
	<u>General</u>	<u>Title I</u>	<u>Special</u>
	<u>Fund</u>		<u>Education</u>
			<u>IDEA Part B</u>
<b>EXPENDITURES (Continued)</b>			
School food services	\$ 33,198	-	-
Community services operations	-	-	-
Other support services	14,302	-	-
Capital outlay	197,560	-	-
Debt service:			
Principal retirement	36,966	-	-
Interest	-	-	-
Total expenditures	<u>12,921,381</u>	<u>\$ 817,838</u>	<u>\$ 403,508</u>
<b>EXCESS (Deficiency) OF REVENUES</b>			
<b>OVER EXPENDITURES</b>	<u>2,200,283</u>	<u>8,494</u>	<u>22,327</u>
<b>OTHER FINANCING SOURCES (Uses):</b>			
Operating transfers in	22,329	-	-
Operating transfers out	(398,262)	-	(22,329)
Total other financing sources (uses)	<u>(375,933)</u>	<u>-</u>	<u>(22,329)</u>
<b>NET CHANGES IN FUND BALANCES</b>	1,824,350	8,494	(2)
<b>FUND BALANCES - JULY 1, 2005, as restated</b>	<u>3,711,099</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - JUNE 30, 2006</b>	<u>\$ 5,535,449</u>	<u>\$ 8,494</u>	<u>\$ (2)</u>

(Concluded)

The notes to the financial statements are an integral part of this statement.

# Statement E

Other Non-Major Governmental Funds		Total
\$	905,770	\$ 938,968
	66,271	66,271
	-	14,302
	-	197,560
	370,000	406,966
	27,935	27,935
	<u>2,146,588</u>	<u>16,289,315</u>
	<u>(286,930)</u>	<u>1,944,174</u>
	398,262	420,591
		<u>(420,591)</u>
	<u>398,262</u>	<u>-</u>
	111,332	1,944,174
	<u>649,422</u>	<u>4,360,521</u>
\$	<u>760,754</u>	\$ <u>6,304,695</u>



**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**Reconciliation of the Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2006**

**Net change in fund balances - governmental funds (Statement E)** **\$ 1,944,174**

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period:

Depreciation expense	\$ (330,290)	
Capital outlays	<u>478,616</u>	
Net adjustment		148,326

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Repayment:		
Revenue Bonds - Series 2002	370,000	
City of Baker School District Loan	<u>36,966</u>	
		406,966

Increase in estimate of long-term claims and judgments payable (250,000)

In the Statement of Activities, certain operating expenses - compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned exceeded the amounts used by \$121,155.

(121,155)

**Change in net assets of governmental activities (Statement B)** **\$ 2,128,311**

The notes to the financial statements are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**Statement of Fiduciary Net Assets**  
**June 30, 2006**

Statement G

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 277,145
Accounts receivable	<u>608</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 277,753</u></u>
 <b>LIABILITIES</b>	
Accounts, salaries, and other payables	\$ 423,919
Deposits held for schools	286,965
Payroll withholding payable	<u>(433,131)</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 277,753</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD**  
**Notes to the Financial Statements**

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**CITY OF BAKER SCHOOL BOARD**  
Baker, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2006

**INTRODUCTION**

The City of Baker School Board was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within City of Baker. The School Board is authorized by R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of five (5) members who are elected from five (5) districts for terms of four years.

The School Board operates five schools within the city with a total enrollment of approximately 2,668 students as of October 2005. The School Board employs approximately 320 persons, approximately 155 of whom are directly involved in the instructional process. The remainder provides ancillary support such as general administration, repair and maintenance, bus transportation, and food service. In addition, the School Board provides transportation and school food services for the students.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the City of Baker School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, issued in June 1999.

**B. REPORTING ENTITY**

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

**C. FUNDS**

The School Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain school board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

**CITY OF BAKER SCHOOL BOARD**  
Baker, Louisiana  
Notes to the Financial Statements

Funds of the School Board are classified into two categories, governmental and fiduciary, as follows:

**Governmental Funds**

Governmental funds account for all or most of the School Board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the School Board. Presently, all governmental funds of the School Board are accounted for in the General Fund, as following:

**General Fund** - the primary operating fund of the School Board and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to School Board policy.

**Special revenue funds** - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or designated by the School Board to be accounted for separately.

**Debt service funds** - account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The School Board reports the General, Title I, and Special Education funds as major governmental funds.

**Fiduciary Funds**

**Fiduciary funds** - Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. They are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

**Student activities fund** - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

**Payroll fund** - accounts for voluntary and mandatory payroll withholdings.

**Summer pay fund** - accounts for summer pay deductions due to teachers.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Government-wide Financial Statements (GWFS)**

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the School Board.

**CITY OF BAKER SCHOOL BOARD**  
Baker, Louisiana  
Notes to the Financial Statements

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

**Allocation of Indirect Expenses** - The School Board reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Fund Financial Statements (FFS)**

**Governmental funds** are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the district-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the district-wide statements and the statements for governmental funds.

Fund financial statements report detailed information about the school board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Expenditure-driven federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred.

## **CITY OF BAKER SCHOOL BOARD**

Baker, Louisiana

### **Notes to the Financial Statements**

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year. Effective July 1, 2003, the School Board levied property taxes at 38.20 mills for a period of 10 years as authorized in a special election held on November 20, 1999. The taxes provides additional support to the school system including paying salaries and benefits of school personnel and other costs of maintaining and operating such a system.

Sales and use tax revenues are recorded in the month collected by the tax collector. Effective July 1, 2003, the School Board began collecting a 2% city-wide sales and use tax as authorized in a special election held on November 20, 1999, to be used to pay salaries and benefits of school personnel and other costs of maintaining and operating its school system.

Interest earnings are recorded when the investments have matured and the interest is available.

Revenues from rentals, leases, and oil royalties are recorded when earned.  
Substantially all other revenues are recorded when received.

#### **Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid annual, sick leave and other employee benefits amounts are reported in the period due and payable rather than the period earned by employees, and general long-term obligations principal and interest payments are recognized only when due.

#### **Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**Fiduciary Funds.** The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

### **E. BUDGETS AND BUDGETARY ACCOUNTING**

The School Board is required by state laws to adopt an annual budget for its general fund and each special revenue fund. The proposed budget for the fiscal year 2004 combined the general fund and all of the special revenue funds, which is in noncompliance with the Local Government Budget Act.

The budget is prepared on the modified accrual basis of accounting. Unencumbered appropriations in the General Fund lapse at the end of the fiscal year. Encumbered appropriations at year end that have been approved by the School Board are generally expended during the next fiscal year's operations, assuming that the underlying liability is ultimately incurred. Budgeted amounts are as originally adopted or as amended by the School Board. Legally, the School Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the School Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

**CITY OF BAKER SCHOOL BOARD**  
Baker, Louisiana  
Notes to the Financial Statements

**F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**G. INVESTMENTS**

Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments are recorded at fair value.

**H. RECEIVABLES**

Receivables are recorded net of any allowance for uncollectible amounts in governmental activities. Revenues become susceptible to accrual when they become both measurable and available.

**I. INVENTORIES**

Inventory of the Child Nutrition Program Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry. Inventory items purchased are valued at cost. Costs are recorded as expenditures at the time individual items are consumed (consumption method). Commodities are assigned values based on information provided by the USDA.

**J. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the school board, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method. Useful lives are estimated to be from 5 to 10 years for furniture and equipment, 15 years for infrastructure, and 40 years for buildings and improvements.

**K. COMPENSATED ABSENCES**

All twelve (12) month full-time employees earn annual leave at the rate of ten (10) days per year. Upon retirement or termination of employment, the employee may choose to be paid for any unused accumulated annual leave days at his/her current daily rate of pay, or convert such unused accumulated annual leave to service credit for retirement purposes, in which case such conversion shall be governed by applicable statutes and/or rules and regulations of the respective retirement system.

All employees hired for the school year or longer shall be granted a minimum of ten (10) days of sick leave per year because of personal illness or other emergencies without loss of pay. Such leave, when



**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**Notes to the Financial Statements**

not used, shall be allowed to accumulate to the credit of the employee without limitation. Upon retirement or death, the school board shall pay the employee or his/her heirs or assigns, for any unused sick leave, not to exceed twenty-five (25) days. Such pay shall be at the daily rate of pay paid to the employee at the time of his/her retirement or death.

Sabbatical leave may be granted for the purpose of professional or cultural or for medical leave.

**L. FUND EQUITY**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**M. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration
Citywide taxes:			
Constitutional Tax	5.00	5.00	Not Applicable
Special School Maintenance Tax	38.20	38.20	2009

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

**3. CASH AND CASH EQUIVALENTS**

At June 30, 2006, the School Board has cash and cash equivalents (book balances) totaling \$4,348,977, which is in an interest-bearing demand account.

Demand deposits	\$ 255,276
Interest-bearing demand deposits	<u>4,093,701</u>
Total	<u>\$ 4,348,977</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**CITY OF BAKER SCHOOL BOARD**

Baker, Louisiana

Notes to the Financial Statements

At June 30, 2006, the School Board has \$5,725,064 in deposits (collected bank balances). These deposits are secured from risk by \$306,763 of federal deposit insurance and \$5,509,662 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The deposit of the School Board in one of its banks was under-collateralized by \$307,237.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

**4. INVESTMENTS**

The School Board had investments of \$197,702 in the Louisiana Asset Management Pool (LAMP), a local government investment pool at June 30, 2006. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

**5. RECEIVABLES**

The receivables at June 30, 2006, are as follows:

	General Fund	Other Governmental Fund	Fiduciary Fund	Total
Taxes:				
Sales and Use Taxes	\$ 420,331			\$ 420,331
Intergovernmental - Grants:				
State		\$ 234,759		234,759
Federal		1,448,272		1,448,272
Other	110		\$ 608	718
	<u>\$ 420,441</u>	<u>\$ 1,683,031</u>	<u>\$ 608</u>	<u>\$ 2,104,080</u>

The School Board expects to collect these balances in full; therefore, no allowance for doubtful accounts are established.

**6. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2006, is as follows:

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**Notes to the Financial Statements**

	Land	Infrastructure	Buildings and Improvements	Furniture and Equipment	Total
Cost at June 30, 2005	\$ 149,536	\$ 729,758	\$ 6,081,260	\$ 1,794,512	\$ 8,755,066
Additions	-	-	420,057	68,843	488,900
Deletions	-	-	-	(10,284)	(10,284)
Cost at June 30, 2006	<u>149,536</u>	<u>729,758</u>	<u>6,501,317</u>	<u>1,853,071</u>	<u>9,233,682</u>
Accumulated depreciation, June 30, 2005	-	729,758	4,840,844	1,265,792	6,836,394
Additions	-	-	129,127	201,163	330,290
Deductions	-	-	-	-	-
Accumulated depreciation, June 30, 2006	-	<u>729,758</u>	<u>4,969,971</u>	<u>1,466,955</u>	<u>7,166,684</u>
Capital assets, net of accumulated depreciation, at June 30, 2006	<u>\$ 149,536</u>	<u>\$ -</u>	<u>\$ 1,531,346</u>	<u>\$ 386,116</u>	<u>\$ 2,066,998</u>

Depreciation expense of \$330,290 for the year ended June 30, 2006, was unallocated.

**7. RETIREMENT SYSTEMS**

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**A. Teachers' Retirement System of Louisiana (TRS)**

*Plan Description.* The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

*Funding Policy.* Plan members are required to contribute 8.0%, 9.1%, and 5.0% of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The school board is required to contribute at an actuarially determined rate. The current rate is 15.9% of annual covered payroll for all three membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through

**CITY OF BAKER SCHOOL BOARD**  
Baker, Louisiana  
Notes to the Financial Statements

annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRS for the year ending June 30, 2006, 2005 and 2004, were \$1,334,341, \$1,141,479 and \$1,006,707, respectively, equal to the required contributions for the year.

**B. Louisiana State Employees' Retirement System (LASERS)**

*Plan Description.* The LASERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information for the LASERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44513, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600.

*Funding Policy.* Plan members are required to contribute 7.5% of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 19.1% of annual covered payroll. Member contributions and employer contributions for the LASERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LASERS is funded by the State of Louisiana through annual appropriations.

The School Board's contributions to the LASERS for the year ending June 30, 2006, 2005 and 2004, were \$19,886, \$14,886 and \$13,664 respectively, equal to the required contributions for the year.

**C. Louisiana School Employees' Retirement System (LSERS)**

*Plan Description.* The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

*Funding Policy.* Plan members are required to contribute 7.5% of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 18.4% of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

The School Board's contributions to the LSERS for the year ended June 30, 2006, 2005 and 2004 were \$96,644, \$70,112 and \$40,413, respectively, equal to the required contributions for the year.

**8. OTHER POSTEMPLOYMENT BENEFITS**

In accordance with state statutes, the School Board provides certain health care and life insurance benefits to its retired employees. Substantially all of the School Board's employees become eligible for such benefits upon reaching normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through a state-operated group insurance

**CITY OF BAKER SCHOOL BOARD**  
 Baker, Louisiana  
 Notes to the Financial Statements

program and various insurance companies whose monthly premium are paid jointly by the employee and the School Board. The School Board recognizes the cost of providing these benefits to retirees (School Board's portion of premium) as an expenditure when paid during the year. For the year ended June 30, 2006, the costs of these retirees' benefits totaled \$6,721 for 2 retirees..

**9. LEASES**

**Operating Leases**

The School Board leases include office equipment, school buses and office space under lease agreements which are subject to annual reappropriation clauses. Generally, as equipment leases expire, they are replaced with other leases.

Operating lease expenses for the year ended June 30, 2006 totaled \$142,529.

**Capital Leases**

During the year ended June 30, 2006, the School Board entered into a capital lease agreement for the purchase of educational software. The original amount of the obligation was \$187,520 and bears an interest rate of 4.890%. Future minimum lease payments until maturity are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2007	\$ 46,880
Less: Amounts representing interest	(6,455)
Present Value of Future Minimum Lease Payment	<u>\$ 40,425</u>

**10. LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2006:

	<u>Compensated Absences</u>	<u>Claims and Judgments</u>	<u>City of Baker School District Loan</u>	<u>Revenue Bonds Series 2002</u>	<u>Total</u>
Long-term obligations at July 1, 2005	\$ 269,314		\$ 369,657	\$ 755,000	\$ 1,393,971
Additions	121,155	\$ 250,000			371,155
Deductions			36,966	370,000	406,966
Long-term obligations at June 30, 2006	<u>\$ 390,469</u>	<u>\$ 250,000</u>	<u>\$ 332,691</u>	<u>\$ 385,000</u>	<u>\$ 1,358,160</u>

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**Notes to the Financial Statements**

The following is a summary of the current (due in one year or less ) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2006:

	Compensated Absences	Claims and Judgments	City of Baker School District Loan	Revenue Bonds Series 2002	Total
Current	\$ 26,831		\$ 36,966	\$ 385,000	\$ 448,797
Long-Term	363,638	\$ 250,000	295,725		909,363
Total	<u>\$ 390,469</u>	<u>\$ 250,000</u>	<u>\$ 332,691</u>	<u>\$ 385,000</u>	<u>\$ 1,358,160</u>

The compensated absences liability attributable to the governmental activities will be liquidated 100% by the General Fund.

The individual bond issue and loan agreement are as follows:

Bond Issue/Loan Agreement	Original Issue Amount	Interest Rate	Principal Outstanding June 30, 2006	Interest to Maturity	Maturity Date
Revenue Bonds, Series 2002	\$ 1,450,000	3.70%	\$ 385,000	\$ 14,245	2007
City of Baker School District Loan	400,000	None	332,691	None	2015

The School Board's long-term obligations are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2007	\$ 421,966	\$ 14,245	\$ 436,211
2008	36,965		36,965
2009	36,966		36,966
2010	36,965		36,965
2011	36,966		36,966
2012 - 2015	147,863		147,863
	<u>\$ 717,691</u>	<u>\$ 14,245</u>	<u>\$ 731,936</u>

**CITY OF BAKER SCHOOL BOARD**  
 Baker, Louisiana  
 Notes to the Financial Statements

**11. PRIOR PERIOD ADJUSTMENTS**

	Net Asset Government- Wide Financial Statements	Fund Financial Statement General Fund
Fund balance at June 30, 2005, as previously reported	\$ 4,643,798	\$ 3,469,676
To correct prior year revenues/receivables	241,424	241,423
Fund balance at July 1, 2005, as restated	<u>\$ 4,885,222</u>	<u>\$ 3,711,099</u>

**12. CHANGES IN AGENCY FUND DEPOSITS HELD  
FOR SCHOOLS**

A summary of changes in agency fund deposits held for schools are as follows:

	Beginning Balance July 1, 2005	Additions	Deductions	Ending Balance June 30, 2006
Bakerfield Elementary School	\$ 28,866	\$ 30,862	\$ 33,245	\$ 26,483
Baker Heights Elementary School	16,094	31,630	45,225	2,499
Park Ridge Elementary School	3,844	55,724	52,957	6,611
Baker Middle School	51,307	134,504	140,326	45,485
Baker High School	198,435	229,068	221,616	205,887
	<u>\$ 298,546</u>	<u>\$ 481,788</u>	<u>\$ 493,369</u>	<u>\$ 286,965</u>

**13. RELATED PARTY TRANSACTIONS**

There are no related party transactions reflected in the accompanying financial statements

**14. LITIGATION AND CLAIMS**

**Litigation** At June 30, 2006, the School Board is involved in six (6) lawsuits, which are not covered by insurance. One of these lawsuits, totaling \$250,000 has been recorded as a liability. The School Board's legal advisor is unable to determine or estimate the ultimate resolution of the remaining lawsuits.

**Grant Disallowances** Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. During the year ended June 30, 2006, the LDOE conducted compliance reviews of several grant programs. However, as of the date of this report, the School Board has not received a draft report disclosing any findings and/or questioned costs.

**CITY OF BAKER SCHOOL BOARD**  
Baker, Louisiana  
Notes to the Financial Statements

**15. ESCROW ACCOUNT**

As result of a legal suit filed by East Baton Rouge Parish School System versus the City of Baker School Board, the East Baton Rouge Parish Sheriff's Office was directed by a judicial order dated June 2, 2004, to withhold all 2003 property taxes collected until further order of the court. Therefore, to comply with the court order the Sheriff's Office withheld the tax collections and placed in an escrow account maintained by the Sheriff's Office.

Amount held in escrow as of June 30, 2006, was \$31,569.

**16 ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES**

On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employers governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$7,840.



## **SUPPLEMENTARY INFORMATION SCHEDULES**

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Balance Sheet - By Fund Type**  
**June 30, 2006**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 92,818	-	\$ 92,818
Cash with fiscal agents	-	\$ 106,763	106,763
Receivables	546,353	-	546,353
Inventory	22,885	-	22,885
<b>TOTAL ASSETS</b>	<u>\$ 662,056</u>	<u>\$ 106,763</u>	<u>\$ 768,819</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts, salaries, and other payables	\$ 8,065	-	\$ 8,065
<b>TOTAL LIABILITIES</b>	<u>8,065</u>	<u>-</u>	<u>8,065</u>
Fund balances:			
Reserved for:			
Debt service	-	\$ 106,763	106,763
Unreserved:			
Designated for:			
Special Revenue Fund	653,991	-	653,991
<b>TOTAL FUND BALANCES</b>	<u>653,991</u>	<u>106,763</u>	<u>760,754</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 662,056</u>	<u>\$ 106,763</u>	<u>\$ 768,819</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances - By Fund Type**  
**For the Year Ended June 30, 2006**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
<b>REVENUES</b>			
Local sources:			
Charges for services	\$ 79,822	-	\$ 79,822
Other	42,994	\$ 6,952	49,946
Total local sources	<u>122,816</u>	<u>6,952</u>	<u>129,768</u>
State sources:			
Minimum Foundation Program	20,499	-	20,499
Other	339,104	-	339,104
Total state sources	<u>359,603</u>	<u>-</u>	<u>359,603</u>
Federal sources	<u>1,370,287</u>	<u>-</u>	<u>1,370,287</u>
Total Revenues	<u>1,852,706</u>	<u>6,952</u>	<u>1,859,658</u>
<b>EXPENDITURES</b>			
Instruction:			
Regular programs	396,367	-	396,367
Special education programs	15,328	-	15,328
Vocational programs	26,357	-	26,357
Special programs	237,822	-	237,822
Support Services:			
Pupil support services	5,643	-	5,643
Instructional staff services	52,460	-	52,460
Business services	4,704	-	4,704
Plant services	5,480	-	5,480
Student transportation services	17,716	-	17,716
Central services	14,735	-	14,735
Operation of non-Instructional Services:			
Food services operations	905,770	-	905,770
Community services operations	66,271	-	66,271
Debt service:			
Principal retirement	-	370,000	370,000
Interest	-	27,935	27,935
Total Expenditures	<u>1,748,653</u>	<u>397,935</u>	<u>2,146,588</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances - By Fund Type**  
**For the Year Ended June 30, 2006**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	\$ 104,053	\$ (390,983)	\$ (286,930)
<b>OTHER FINANCING SOURCES (Uses)</b>			
Operating transfers in	-	398,262	398,262
Total other sources and (uses)	-	398,262	398,262
<b>NET CHANGES IN FUND BALANCES</b>	104,053	7,279	111,332
<b>FUND BALANCES - JULY 1, 2005</b>	549,938	99,484	649,422
<b>FUND BALANCES - JUNE 30, 2006</b>	<u>\$ 653,991</u>	<u>\$ 106,763</u>	<u>\$ 760,754</u>

(Concluded)

The notes to the financial statements are an integral part of this statement.

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**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**June 30, 2006**

	<b>Vocational Education - Carl Perkins</b>	<b>LA 4 (Pre-K)</b>	<b>FEMA Student Influx - Katrina</b>	<b>School Food Service Fund</b>
<b>ASSETS</b>				
Cash in bank	\$ (26,333)	\$ 85,343	\$ (64,915)	\$ 502,856
Other accounts receivable	26,333	-	108,164	-
Inventory	-	-	-	22,885
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 85,343</u>	<u>\$ 43,249</u>	<u>\$ 525,741</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 24	-	-	\$ 7,084
<b>TOTAL LIABILITIES</b>	<u>24</u>	<u>-</u>	<u>-</u>	<u>7,084</u>
Fund balances:				
Unreserved:				
Designated for:				
Special Revenue Fund	(24)	\$ 85,343	\$ 43,249	518,657
<b>TOTAL FUND BALANCES</b>	<u>(24)</u>	<u>85,343</u>	<u>43,249</u>	<u>518,657</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 85,343</u>	<u>\$ 43,249</u>	<u>\$ 525,741</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

## Schedule 3

<u>Extended School Year</u>	<u>Special Education IDEA - Preschool</u>	<u>Reading First</u>	<u>Gifted Education</u>	<u>Teacher Quality Program</u>	<u>Student Enhancement</u>	<u>Superior Books - 8g</u>
\$ (6,343) 7,270	\$ (6,887) 6,892	\$ (5,209) 5,209	\$ (2,594) -	\$ (5,401) 5,401	\$ (93,437) 93,437	\$ (1,071) 1,071
-	-	-	-	-	-	-
<u>\$ 927</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ (2,594)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 \$ 927	 -	 -	 -	 -	 -	 -
 927	 -	 -	 -	 -	 -	 -
 -	 \$ 5	 -	 \$ (2,594)	 -	 -	 -
 -	 5	 -	 (2,594)	 -	 -	 -
<u>\$ 927</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ (2,594)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**June 30, 2006**

	<b>K-3 Initiative</b>	<b>LA Teacher Assistance/ Assessment</b>	<b>LEAP 21 Tutoring</b>	<b>GEE Remediation</b>
<b>ASSETS</b>				
Cash in bank	\$ (28,892)	\$ (15,817)	\$ (71,351)	\$ (11,520)
Other accounts receivable	28,892	15,817	71,351	11,520
Inventory	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:				
Unreserved:				
Designated for:				
Special Revenue Fund	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

The notes to the financial statements are an integral part of this statement.

## Schedule 3

<b>Grant: Entergy</b>	<b>Grant: VSA Arts</b>	<b>Healthy Lifestyles Choices</b>	<b>Title II</b>	<b>Title III Student Influx</b>	<b>Title IV</b>	<b>Title V</b>
\$ 1,698	\$ 4,311	\$ 2,426	\$ (108,136)	\$ (1,452)	\$ (5,743)	\$ (17,774)
-	-	-	108,136	1,452	5,743	17,774
-	-	-	-	-	-	-
<u>\$ 1,698</u>	<u>\$ 4,311</u>	<u>\$ 2,426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,698</u>	<u>\$ 4,311</u>	<u>\$ 2,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,698</u>	<u>4,311</u>	<u>2,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,698</u>	<u>\$ 4,311</u>	<u>2,426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**June 30, 2006**

	<u>Title X</u>	<u>Ayers Foundation Grant</u>	<u>Enhancing Education Through Technology (EETT)</u>	<u>Education Excellence Enhancement</u>
<b>ASSETS</b>				
Cash in bank	\$ (28)	\$ 494	\$ (28,891)	\$ 2,771
Other accounts receivable	-	-	28,891	-
Inventory	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ (28)</u>	<u>\$ 494</u>	<u>\$ -</u>	<u>\$ 2,771</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	-	-	-	\$ 30
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>		<u>30</u>
Fund balances:				
Unreserved:				
Designated for:				
Special Revenue Fund	\$ (28)	\$ 494	-	2,741
<b>TOTAL FUND BALANCES</b>	<u>(28)</u>	<u>494</u>	<u>-</u>	<u>2,741</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ (28)</u>	<u>\$ 494</u>	<u>\$ -</u>	<u>\$ 2,771</u>

(Concluded)

The notes to the financial statements are an integral part of this statement.

### Schedule 3

<b>Tobacco Free/Mini Grant</b>	<b>Total</b>
\$ (2,287)	\$ 95,818
-	543,353
-	22,885
<u>\$ (2,287)</u>	<u>\$ 662,056</u>

<u>-</u>	<u>\$ 8,065</u>
<u>-</u>	<u>8,065</u>

<u>\$ (2,287)</u>	<u>653,991</u>
<u>(2,287)</u>	<u>653,991</u>
<u>\$ (2,287)</u>	<u>\$ 662,056</u>

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**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2006**

	<u>Vocational Education - Carl Perkins</u>	<u>LA 4 (Pre-K)</u>	<u>FEMA Student Influx - Katrina</u>	<u>School Food Service Fund</u>
<b>REVENUES</b>				
Local sources:				
Charges for services	-	-	-	\$ 79,822
Other	-	-	-	-
Total local sources	-	-	-	79,822
State sources:				
Minimum Foundation Program	-	-	-	20,499
Other	-	-	-	-
Total state sources	-	-	-	20,499
Federal sources	\$ 26,333	\$ 196,769	\$ 141,351	866,464
<b>Total Revenues</b>	<u>26,333</u>	<u>196,769</u>	<u>141,351</u>	<u>966,785</u>
<b>EXPENDITURES</b>				
Instruction:				
Regular programs	-	-	21,801	-
Special education programs	-	-	-	-
Vocational programs	26,357	-	-	-
Special programs	-	167,291	-	-
Support Services:				
Pupil support services	-	-	-	-
Instructional staff services	-	-	-	-
Business services	-	-	-	-
Plant services	-	-	-	-
Student transportation services	-	-	10,030	-
Central services	-	-	-	-
Operation of Non-Instructional Services:				
Food services operations	-	-	-	905,770
Community services operations	-	-	66,271	-
<b>Total Expenditures</b>	<u>26,357</u>	<u>167,291</u>	<u>98,102</u>	<u>905,770</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

<u>Extended School Year</u>	<u>Special Education IDEA - Preschool</u>	<u>Reading First</u>	<u>Gifted Education</u>	<u>Teacher Quality Program</u>	<u>Student Enhancement</u>	<u>Superior Books - 8g</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 7,270	-	-	-	\$ 5,401	\$ 93,437	\$ 1,071
7,270	-	-	-	5,401	93,437	1,071
	\$ 6,892	\$ 5,209				
7,270	6,892	5,209	-	5,401	93,437	1,071
-	-	5,209	\$ 4,000	5,401	93,437	-
7,270	6,887	-	-	-	-	1,071
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,270	6,887	5,209	4,000	5,401	93,437	1,071



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**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2006**

	<u>Vocational Education - Carl Perkins</u>	<u>LA 4 (Pre-K)</u>	<u>FEMA Student Influx - Katrina</u>	<u>School Food Service Fund</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	\$ (24)	\$ 29,478	\$ 43,249	\$ 61,015
<b>FUND BALANCES - JULY 1, 2005</b>	<u>-</u>	<u>55,865</u>	<u>-</u>	<u>457,642</u>
<b>FUND BALANCES - JUNE 30, 2006</b>	<u>\$ (24)</u>	<u>\$ 85,343</u>	<u>\$ 43,249</u>	<u>\$ 518,657</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

## Schedule 4

<u>Extended School Year</u>	<u>Special Education IDEA - Preschool</u>	<u>Reading First</u>	<u>Gifted Education</u>	<u>Teacher Quality Program</u>	<u>Student Enhancement</u>	<u>Superior Books - 8g</u>
-	\$ 5	-	\$ (4,000)	-	-	-
-	-	-	1,406	-	-	-
<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ (2,594)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2006**

	<b>K-3 Initiative</b>	<b>LA Teacher Assistance/ Assessment</b>	<b>LEAP 21 Tutoring</b>	<b>GEE Remediation</b>
<b>REVENUES</b>				
Local sources:				
Charges for services	-	-	-	-
Other	-	-	-	-
Total local sources	-	-	-	-
State sources:				
Minimum Foundation Program	-	-	-	-
Other	\$ 28,892	\$ 15,817	\$ 71,351	\$ 11,520
Total state sources	28,892	15,817	71,351	11,520
Federal sources	-	-	-	-
Total Revenues	28,892	15,817	71,351	11,520
<b>EXPENDITURES</b>				
Instruction:				
Regular programs	28,892	12,078	71,351	11,520
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
Special programs	-	-	-	-
Support Services:				
Pupil support services	-	-	-	-
Instructional staff services	-	3,739	-	-
Business services	-	-	-	-
Plant services	-	-	-	-
Student transportation services	-	-	-	-
Central services	-	-	-	-
Operation of Non-Instructional Services:				
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Total Expenditures	28,892	15,817	71,351	11,520

(Continued)

The notes to the financial statements are an integral part of this statement.

## Schedule 4

<u>Grant: Entergy</u>	<u>Grant: VSA Arts</u>	<u>Healthy Lifestyles Choices</u>	<u>Title II</u>	<u>Title III Student Influx</u>	<u>Title IV</u>	<u>Title V</u>
-	-	-	-	-	-	-
-	-	\$ 17,994	-	-	-	-
-	-	17,994	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	\$ 113,957	\$ 1,055	\$ 5,743	\$ 6,514
-	-	17,994	113,957	1,055	5,743	6,514
-	-	-	-	-	-	-
-	-	-	-	-	100	-
-	-	-	-	-	-	-
-	-	-	62,962	1,055	-	6,514
-	-	-	-	-	5,643	-
-	-	2,402	46,291	-	-	-
-	-	-	4,704	-	-	-
-	-	5,480	-	-	-	-
-	-	7,686	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	15,568	113,957	1,055	5,743	6,514

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**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2006**

	<b>K-3 Initiative</b>	<b>LA Teacher Assistance/ Assessment</b>	<b>LEAP 21 Tutoring</b>	<b>GEE Remediation</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	-	-	-	-
<b>FUND BALANCES - JULY 1, 2005</b>	-	-	-	-
<b>FUND BALANCES - JUNE 30, 2006</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

The notes to the financial statements are an integral part of this statement.



**Schedule 4**

<b>Grant: Entergy</b>	<b>Grant: VSA Arts</b>	<b>Healthy Lifestyles Choices</b>	<b>Title II</b>	<b>Title III Student Influx</b>	<b>Title IV</b>	<b>Title V</b>
-	-	\$ 2,426	-	-	-	-
\$ 1,698	\$ 4,311	-	-	-	-	-
\$ 1,698	\$ 4,311	\$ 2,426	\$ -	\$ -	\$ -	\$ -

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**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2006**

	<u>Title X</u>	<u>Ayers Foundation Grant</u>	<u>Enhancing Education Through Technology (EETT)</u>	<u>Education Excellence Enhancement</u>
<b>REVENUES</b>				
Local sources:				
Charges for services	-	-	-	-
Other	-	\$ 25,000	\$ -	\$ -
Total local sources	-	25,000	-	-
State sources:				
Minimum Foundation Program	-	-	-	-
Other	-	-	\$ 19,505	\$ 84,840
Total state sources	-	-	19,505	84,840
Federal sources				
<b>Total Revenues</b>	-	25,000	19,505	84,840
<b>EXPENDITURES</b>				
Instruction:				
Regular programs	-	24,506	4,770	111,115
Special education programs	-	-	-	-
Vocational programs	-	-	-	-
Special programs	-	-	-	-
Support Services:				
Pupil support services	-	-	-	-
Instructional staff services	\$ 28	-	-	-
Business services	-	-	-	-
Plant services	-	-	-	-
Student transportation services	-	-	-	-
Central services	-	-	14,735	-
Operation of Non-Instructional Services:				
Food services operations	-	-	-	-
Community services operations	-	-	-	-
Total Expenditures	28	24,506	19,505	111,115

(Continued)

The notes to the financial statements are an integral part of this statement.

**Schedule 4**

<b>Tobacco Free/Mini Grant</b>	<b>Total</b>
-	\$ 79,822
-	42,994
-	122,816
-	20,499
-	339,104
-	359,603
	1,370,287
-	1,852,706
\$ 2,287	396,367
-	15,328
-	26,357
-	237,822
-	5,643
-	52,460
-	4,704
-	5,480
-	17,716
-	14,735
-	905,770
-	66,271
2,287	1,748,653

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**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2006**

	<u>Title X</u>	<u>Ayers Foundation Grant</u>	<u>Enhancing Education Through Technology (EETT)</u>	<u>Education Excellence Enhancement</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	\$ (28)	\$ 494	-	\$ (26,275)
<b>FUND BALANCES - JULY 1, 2005</b>	-	-	-	29,016
<b>FUND BALANCES - JUNE 30, 2006</b>	<u>\$ (28)</u>	<u>\$ 494</u>	<u>\$ -</u>	<u>\$ 2,741</u>

(Concluded)

The notes to the financial statements are an integral part of this statement.

**Schedule 4**

<b>Tobacco Free/Mini Grant</b>	<b>Total</b>
\$ (2,287)	\$ 104,053
-	549,938
<u>\$ (2,287)</u>	<u>\$ 653,991</u>

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**Schedule of Compensation Paid Board Members**  
**For the Year Ended June 30, 2006**

This schedule of compensation paid to school board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation of school board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly method of compensation. Under this method, each member of the School Board receives \$500 per month, and the president receives \$600 per month for performing the duties of the office.

	<u>Amount</u>
Carpenter, Dr. Dana	\$ 5,900
Davis, Elaine G., President	6,500
Dees, Calvin	6,700
Freudenberger, Jane	6,000
Gallman, George	<u>6,000</u>
	<u>\$ 31,100</u>



**INDEPENDENT AUDITOR'S REPORT AND  
INFORMATION REQUIRED BY THE SINGLE  
AUDIT ACT AND  
*GOVERNMENT AUDITING STANDARDS***

**Melvin L. Davis**  
**Certified Public Accountant**

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(A Limited Liability Company)  
P. O. Box 73360 • Baton Rouge, Louisiana 70874  
Phone (225) 774-4703 • Fax (225) 774-4509

**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards***

City of Baker School Board  
Baker, Louisiana

Board Members and Superintendent:

I have audited the financial statements of the City of Baker School Board as of and for the year ended June 30, 2006, and have issued my report thereon dated December 29, 2006. The opinion issued for that report was qualified, due to the inadequacy of accounting records for the fiscal years prior to July 1, 2005 and the failure to perform certain payroll tests, analyze, and reconcile certain accounts. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the School Board's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the School Board's ability to initiate, record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2006-1, 2006-2, 2006-4, 2006-5, and 2006-6.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions describe above, I consider items 2006-1, 2006-2, 2006-4, and 2006-5 to be material weaknesses.

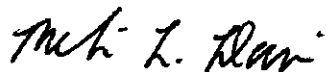
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2006-3, 2006-5, 2006-7, and 2006-8.

I noted certain matters that I reported to management of the School Board in a separate letter dated December 29, 2006.

This report is intended solely for the information and use of the management of the School Board, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Legislative Auditor as a public document.

A handwritten signature in cursive script, reading "Melvin L. Davis".

Melvin L. Davis, CPA, LLC

Baton Rouge, Louisiana  
December 29, 2006

**Melvin L. Davis**  
**Certified Public Accountant**

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(A Limited Liability Company)  
P. O. Box 73360 • Baton Rouge, Louisiana 70874  
Phone (225) 774-4703 • Fax (225) 774-4509

**Report on Compliance With Requirements Applicable to Each Major  
Program and on Internal Control Over Compliance in Accordance  
With OMB Circular A-133**

City of Baker School Board  
Baker, Louisiana

Board Members and Superintendent:

**Compliance**

I have audited the compliance of the City of Baker School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. My responsibility is to express an opinion on the School Board's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the School Board's compliance with those requirements.

In my opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006. However, the results of my auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2006-9.

**Internal Control Over Compliance**

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

I noted certain matters involving the internal control over compliance and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the School Board's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2006-9.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the management of the School Board, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Legislative Auditor as a public document.



Melvin L. Davis, CPA, LLC

Baton Rouge, Louisiana  
December 29, 2006

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2006**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER*</u>	<u>PASS- THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<b>CASH FEDERAL AWARDS</b>			
<b>United States Department of Agriculture</b>			
Passed through Louisiana Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	None	<u>\$ 905,770</u>
<b>United States Department of Education</b>			
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies			
Part A - Basic	84.010A	28-05-T1-68	817,838
Special Education - Grants to States			
IDEA Part B	84.027A	H0271050033	425,837
Special Education - Preschool Grants	84.173A	H173A050082	6,887
Vocational Education - Basic Grants to States:			
Basic Grant 2004	84.048	28-05-02-68-C	5,062
Basic Grant 2005	84.048	28-06-02-68	21,295
Safe and Drug-Free Schools and Communities - State Grants	84.186A	28-04-70-68	5,743
State Grants for Innovative Programs	84.298A	28-05-80-68	6,514
Educational Technology State Grants	84.318X	28-06-49-68	19,505
Reading First State Grants	84.357A	28-05-RD-68	5,209
English Language Acquisition Grants	84.365A	28-06-S3-68	1,055
Improving Teacher Quality State Grants	84.367A	28-05-50-68	113,957
Total United States Department of Education			<u>1,428,902</u>
<b>United States Department of Health and Human Services</b>			
Passed through Louisiana Department of Education:			
Temporary Assistance for Needy Families	93.558	280635	<u>167,291</u>
<b>United States Department of Homeland Security</b>			
Passed through Louisiana Department of Education:			
Public Assistance Grants	97.036	None	<u>98,102</u>
<b>TOTAL CASH EXPENDITURES OF FEDERAL AWARDS</b>			<u>2,600,065</u>

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2006**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER*</u>	<u>PASS- THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<b>NONCASH FEDERAL AWARDS</b>			
<b>United States Department of Agriculture</b>			
Passed through Louisiana Department of Agriculture and Forestry :			
Food Distribution Program - Food Donation (Note B)	10.550	None	<u>\$ 2,795</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,602,860</u></u>

**CITY OF BAKER SCHOOL BOARD**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2006**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Baker School Board and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note B – Food Donation**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2006, the City of Baker School Board had food commodities totaling \$38,389 in inventory.



**CITY OF BAKER SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2006**

**A. Summary of Auditor's Results**

**Financial Statement Audit**

- Type of auditor's report issued: Qualified
- Material weakness(es) identified?     x     Yes            No
- Reportable condition(s) identified that are not considered to be material weaknesses?     x     Yes            No
- Noncompliance material to financial statements noted?     x     Yes            No

**Audit of Federal Awards**

**Internal control over major programs:**

- Material weakness(es) identified?            Yes     x     No
- Reportable condition(s) identified that are not considered to be material weaknesses?     x     Yes            No
- Type of auditor's report issued on compliance for major programs: Unqualified
- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?     x     Yes            No

• Identification of major program:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.555	National School Lunch Program
84.010A	Title I Grants to Local Educational Agencies
84.027A	Special Education - Grants to States

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000
- The City of Baker School Board did not qualify as a low-risk auditee.

**CITY OF BAKER SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2006**

**B. Findings – Financial Statement Audit**

**Finding 2006-1 Fixed Assets**

Condition:

In August 2005, the School System adopted fixed assets procedures. Such procedures were established to ensure adequate accountability for fixed assets. However as of the date of this report, these procedures have not been implemented by the Property Control Manager and employees with custody of fixed assets.

My observation of the School System's equipment records disclosed the following weaknesses:

- The School System's master listing of equipment inventory does not disclose the equipment purchase date (month/year) in all cases.
- The method of calculating depreciation expense was not in accordance with the guidance set forth in the adopted fixed asset procedures.
- During the year under audit, in some instances the equipment purchase costs differ from the amounts recorded in the master listing of equipment.
- The fixed asset procedures require use of forms for accountability purposes such as: "Acquisition of Capital Assets", "Request to Accept Donated Asset", "Removal of Capital Asset", "Capital Asset Disposal", etc. However, as of the date of this report, the forms are not being used.
- The master listing as of June 30, 2006, included, at a minimum, equipment items costing \$43,579 and depreciation expenses of \$8,708 for equipment items purchased subsequent to June 30, 2006.
- Overall, the master listing presentation was not formatted in a consistent state and needs improvement.

In addition, the School System's fixed asset records had not been updated to include the roof replacement at Baker Middle School which cost \$420,057. For audit purposes, buildings and improvements were adjusted to include this major improvement.

Criteria:

Louisiana Revised Statute §24:515(B) states that the School System "shall maintain records of all land, buildings, improvements other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable".

Cause:

Management has not placed sufficient emphasis on ensuring accountability over fixed assets and adherence to established written policies and procedures related to fixed assets.

Effect:

Absence of adequate internal control relating to fixed assets could result in misappropriation of School System's assets and/material misstatements within the financial statements. In addition, the School System may not know correct amounts and values of insurable assets. Finally, non-compliance with state and/or federal laws could result in loss of grant funds.

Recommendation:

The School System should adhere to its written policies and procedures related to the accountability of fixed assets. In addition, the School Board should consider acquiring a fixed asset system to account for and monitor its physical assets and related depreciation.

Management's Response and Correction Action Plan:

Management concurs with the finding. See Management's Corrective Action Plan for their response.

**Finding 2006-2 Human Resources and Payroll Functions**

Condition:

Of the forty-two (42) payroll transactions tested, the following exceptions were noted:

- Time and attendance sheets were not available for observation for three (3) of the employees included in the sample. Therefore, I was unable to verify the employees' time and attendance. I was also unable to determine whether leave was properly requested and approved for the employees.
- In four (4) instances, employees did not sign out at the end of the workday.
- In three (3) instances, employees did not sign the time and attendance sheets.
- Leave forms were not available or were incomplete due to missing information, (i.e., date, number of hours taken, failure to sign, and supervisor signature).

During the process of conducting tests of the above mentioned payroll transactions, I observed the following exceptions:

- My observation of the Central Office time and attendance sheets for the pay period ended November 1, 2005 disclosed that three (3) employees with gross salaries totaling \$5,378.42 did not sign in or out during the entire pay period. Additionally, of the ten (10) employees listed on the time and attendance sheets, five (5) did not sign the time and attendance sheets.
- My observation disclosed the following exceptions related to time and attendance records of Baker High School for the pay period ended October 25, 2005:
  - Ten (10) employees did not sign the time and attendance sheet.
  - In four (4) instances, the employees failed to sign-out at the end of the workday.
  - Of twenty-four (24) leave forms attached to the time and attendance sheets, all indicated only the employee's name and did not complete other required information on the leave form (i.e., reason for absence, date, number of hours or days, or whether a substitute is required). In addition, none of the forms were signed by the employees, but the supervisors signed twenty-two (22) of the leave forms.

Criteria:

Adequate internal controls relating to human resources and payroll require that specific procedures be in place to ensure that payroll expenses are properly documented and recorded and employee records are sufficiently maintained.

Cause:

The School System did not maintain an adequate control environment for the human resources and payroll functions due to a lack of written policies and procedures.

City of Baker School Board  
Schedule of Findings and Questioned Costs – Financial Statement Audit  
Year Ended June 30, 2006

Effect:

The lack of adequate internal controls relating to human resources and payroll significantly increases the risk that material errors and irregularities could occur and go undetected.

Recommendation:

The School System should develop written internal control procedures within the Human Resources and Accounting departments to include a control environment that will ensure adequate segregation of duties, effective communication between the departments, and that current and complete personnel files for all employees are maintained by an individual who does not have payroll preparation responsibilities. I also recommend that the School System consider the development and distribution of an employee manual. Finally, the School System should also develop procedures to ensure that time and attendance related records are properly completed, signed, approved, and are securely filed and maintained.

Management's Response and Correction Action Plan:

Management concurs with the finding. See Management's Corrective Action Plan for their response.

**Finding 2006-3 Noncompliance with Budget Laws**

Condition:

For the third consecutive year, the School Board budget was not adopted and implemented in accordance with state law. Instances of noncompliance with state law are as follows:

- The original budget combined the General and School Food Service Funds. The School Food Service Fund was the only Special Revenue Fund included in the original budget.
- The budget did not include a budget message which should have included a summary description of the proposed financial plan, policies and objectives, assumptions, budgetary basis, and a discussion of the most important features.
- Revenues and expenditures were not itemized in accordance with guidelines provided by the Louisiana Department of Education.
- The School Board did not publish, in the official journal, a notice stating that the proposed budget was available for public inspection.
- No public meeting was conducted on the budget proposal.
- The School Board did not amend its budget for three (3) Special Revenue funds when the actual expenditures exceeded total budgeted expenditures by 5% or more.
- The School Board expended funds from nine (9) separate grants totaling \$266,662 accounted for the Special Revenue fund, but the budget was never amended to include these grants.

Criteria:

Louisiana Revised Statute (R.S.) 39:1301 et seq. also known as the Louisiana Local Government Budget Act requires the following:

- R.S. 1305(A) – Each political subdivision shall cause to be prepared a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund and each special revenue fund.

City of Baker School Board  
Schedule of Findings and Questioned Costs – Financial Statement Audit  
Year Ended June 30, 2006

- R.S. 39:1305(C)(1) – A budget message signed by the preparer which shall include a summary description of the proposed financial plan, policies, and objectives, assumptions, budgetary basis, and a discussion of the most important features.
- R.S. 39:1305(C)(2)(b) – School Boards shall itemize revenues and expenditures in accordance with guidance provided by the state Department of Education. R.S. 17:88(C) states that each school board shall submit to the superintendent of education a copy of its adopted budget no later than September thirtieth of each year which shall include the same line items as prescribed by the State Board of Elementary and Secondary Education.
- R.S. 39:1307(B) – Upon completion of the proposed budget, the political subdivision shall cause to be published a notice stating that the proposed budget is available for public inspection.
- R.S. 39:1307(C) - No proposed budget shall be considered for adoption or otherwise finalized until at least one public hearing has been conducted on the proposal.
- R.S. 39:1310 – When there has been a change in operations upon which the original adopted budget was developed; the governing authority shall adopt a budget amendment in an open meeting to reflect such change.

Cause:

The School System has not placed sufficient emphasis on ensuring compliance with all provisions of the Louisiana Local Government Budget Act.

Effect:

The School System is not in compliance with the Local Government Budget Act for the year ended June 30, 2006. In addition, the School System is unable to present in its financial statements a budgetary comparison schedules for the major funds (General and School Food Service Funds), as required by generally accepted accounting principles (GAAP).

Recommendation:

The School System's management should become familiar with the requirements of the Local Government Budget Act and develop procedures that will ensure compliance with the Act. Also, the budget should be used as a management tool in making financial decisions affecting the School Board.

Management's Response and Correction Action Plan:

Management concurs with the finding. See Management's Corrective Action Plan for their response.

**Finding 2006-4 Failure to Reconcile and Analyze Certain General Ledger Accounts**

Condition:

For the third consecutive year, the School Board failed to reconcile and/or analyze certain general ledger accounts. My audit disclosed the following weaknesses:

- Bank accounts were not reconciled on a timely basis. In addition, the payroll, accounts payable, and sinking fund bank accounts disclosed unreconciled differences of \$64,401, \$181, and \$59,261, respectively. Also, one general ledger bank account with a credit balance of \$20,499 was apparently recorded in error, and was not traceable to any of the School System's existing bank accounts.

City of Baker School Board  
Schedule of Findings and Questioned Costs – Financial Statement Audit  
Year Ended June 30, 2006

- School System staff apparently was not aware of financial system generated report titled "Payroll File Totals Report" which summarizes in detail payroll activity by pay period. Such report was not available, which limited my ability to perform various payroll analysis and reconciliations related to the payroll bank and withholding accounts. The records that remain are not sufficient to permit the application of planned audit procedures. In addition, the software vendor was unable to restore the reports for the majority of the year under audit.
- Payroll withholding accounts were not reconciled or analyzed during the fiscal year. Several of the payroll withholding accounts reflected abnormal (debit) balances throughout and at year end.
- During the preparation of the Department of Treasury, Internal Revenue Service Form 941, "Employer's Quarterly Federal Tax Return", the School System does not reconcile amounts reported on the form to its general ledger.
- Capital lease obligation has not been recorded in the School System's financial statements as required by generally accepted accounting principles.

Criteria:

An adequate internal control structure would require the timely reconciliation of all cash and selected general ledger accounts on a monthly basis to ensure that all transactions are properly recorded and that accounts do not contain any errors.

Cause:

Due to the lack of written procedures and inadequate management supervision, the School Board does not have an adequate control environment to ensure the all cash and general ledger accounts are reconciled and/or analyzed on a monthly basis.

Effect:

The failure to complete cash and general ledger account reconciliations in a timely manner could allow errors and/or irregularities to exist without being identified and corrected.

Recommendation:

The School System should implement an adequate control environment that includes written procedures and management monitoring to ensure that all bank accounts and other critical balance sheet accounts are reconciled in a timely manner and reviewed by an appropriate supervisor. The written procedures should identify employees to perform the reconciliations and the supervisor that is responsible for the review and approval.

Management's Response and Correction Action Plan:

Management concurs with the finding. See Management's Corrective Action Plan for their response.

**Finding 2006-5 Student Activity Accounts**

Condition:

For the third consecutive year, the School System did not monitor or provide adequate oversight over the Student Activity Accounts of the five (5) schools in the City of Baker School System. In addition, none of the schools submitted the monthly interim financial reports, the annual financial statements, or the month bank reconciliations required by the School System's "Student Activity Funds Procedural Manual".

In a report dated October 20, 2006 covering the period May 1, 2004 through August 31, 2006, the School System's Internal Auditor concluded that the principal of Park Ridge Elementary School failed to provide financial oversight over the financial aspects of the school, and relied too much on the executive secretary without proper monitoring. The report further stated that internal control procedures adopted by the City of

City of Baker School Board  
Schedule of Findings and Questioned Costs – Financial Statement Audit  
Year Ended June 30, 2006

Baker School Board as well as those issued by the Louisiana Legislative Auditor's Office, were not implemented. Finally, the report concluded that the lack of internal control procedures provided the opportunity for the executive secretary to embezzle \$52,264.64.

Criteria:

Louisiana Revised Statute §17:414.3(C) states that, "Each school principal shall report on his school's fund annually to the superintendent or a member of his staff designated by him, at a regular time designated by the superintendent. The report shall be sufficiently detailed to notify the superintendent of account balances, significant deposits, significant expenditures, and any unresolved errors or discrepancies. The superintendent shall approve such reports in writing to the school within two months of receiving the report or shall notify the principal of any further information needed or examination required. The superintendent shall be responsible for notifying the school board of the apparent need for further examination, supervision, or intervention. The school board may require and provide for an audit of the school fund of any school within its jurisdiction at any time".

Cause:

School System management has not placed sufficient emphasis on monitoring or providing oversight over the operations of the Student Activity Accounts of the schools within the system.

Effect:

The lack of monitoring or providing oversight could result in school funds not operating effectively, efficiently, or in compliance with state laws or regulations.

Recommendation:

The School System should revise its Student Activity Funds Procedural Manual to include the recommendations disclosed in the Internal Auditor's Report and require each school to comply in all material respects to ensure adequate internal controls and sufficient monitoring and oversight.

Management's Response and Correction Action Plan:

Management concurs with the finding. See Management's Corrective Action Plan for their response.

**Finding 2006-6 Special Revenue Fund Billings**

Condition:

For the third consecutive year, requests for reimbursement of state and federal grant funds are not being made on a timely basis. For seventeen (17) individual funds within the special revenue fund with expenditures totaling \$588,479, accounts receivable at June 30, 2006, reflect total expenditures for the entire fiscal year for these funds. Therefore, no claims for reimbursement were submitted for reimbursement until after year-end.

Criteria:

To facilitate cash flow, requests for reimbursement for the various special revenue funds should be submitted on a timely basis.

Cause:

Management has not placed sufficient emphasis on the timely submission of requests for reimbursement.

Effect:

The failure to submit requests for reimbursement on a timely basis can result in disallowed costs and therefore, a loss of federal and state revenues. The failure to submit requests for reimbursement on a timely basis also has a negative impact on the determination of funds available for investment purposes and possible interest earnings.

City of Baker School Board  
Schedule of Findings and Questioned Costs – Financial Statement Audit  
Year Ended June 30, 2006

Recommendation:

The School System should implement procedures that require timely submission of requests for reimbursement.

Management's Response and Correction Action Plan:

Management concurs with the finding. See Management's Corrective Action Plan for their response.

**Finding 2006-7 Bank Fail to Pledge Collateral to Secure Deposits**

Condition:

For the second consecutive year, School System management did not monitor collateral pledged to secure its deposits. In addition, at June 30, 2006, one of the School Board's banks did not fully pledge securities on the School System's behalf. The bank apparently through oversight did not pledge collateral to secure deposits by the amount of \$307,237.

Criteria:

Louisiana Revised Statute (R.S.) 39:1218 requires that "Any bank selected as the fiscal agency of any depositing authority, or any bank with whom a private contract is entered into...shall give security for the safekeeping and payment of the deposits".

Cause:

The School System's management did not place sufficient emphasis on ensuring that bank deposits are adequately secured throughout the year.

Recommendation:

The School System's management should implement procedures that require the monitoring of securities pledged by its financial institutions.

Management's Response and Correction Action Plan:

Management concurs with the finding. See Management's Corrective Action Plan for their response.

**Finding 2006-8 Public Bid Law**

Condition:

During the year under audit, several purchases were made without the School System submitting said purchases to the bid process or obtaining telephone or fax quotes. Test of procurement procedures disclosed the following purchases of materials or supplies that the School System was unable to provide evidence that such was made in accordance with the Louisiana Public Bid Law:

<u>Purchases Made</u>	<u>Amount</u>
Locksmith services	\$ 16,250
Plumbing services	99,216

Criteria:

Louisiana Revised Statute §38:2212.1 states "All purchases of any materials or supplies exceeding the sum of \$20,000 to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised. The statute further states "purchases of \$10,000 or more, but less than \$20,000, shall be made by obtaining not less than three telephone or facsimile quotations".

Effect:

The School System may be out of compliance with the statute referred to above. As result, the School System may not be receiving the lowest price for its goods and services.



City of Baker School Board  
Schedule of Findings and Questioned Costs – Financial Statement Audit  
Year Ended June 30, 2006

Recommendation:

I recommend that management of the School System establish procedures that require that all purchases comply with the provisions of LSA-RS 38:2212.1.

Management's Response and Correction Action Plan:

Management concurs with the finding. See Management's Corrective Action Plan for their response.

**CITY OF BAKER SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2006**

**C. Findings and Questioned Costs – Major Federal Award Programs**

**Finding 2006-9 Employee Certifications and Payroll Activity Reports**

**84.010A – Title I Grants to Local Educational Agencies**

**Condition:**

The School System did not ensure that employee certifications and payroll activity reports or equivalent documentation are performed and maintained for all applicable employees. My test of payroll transactions disclosed the following:

- Of my sample of five (5) employees charged to the Title I Grants to Local Educational Agencies (84.010A) program, the School System did not perform or were unable to locate the semi-annual certifications for one (1) employee and another employee was charged to the program in error for three (3) months at a total cost of \$4,381, inclusive of related benefits.

**Questioned Costs:** \$4,381

**Criteria:**

Office of Management and Budget (OMB) Circular A-87, Attachment B, item 11(h)(3), requires that for employees working solely on a single Federal award, charges for salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. The certifications should be prepared at least semi-annually and must be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. Additionally, OMB Circular A-87, Attachment B, item 11(h)(4), requires that employees working on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports, or equivalent documentation.

**Cause:**

Management of the School Board was not completely familiar with the requirements of OMB Circular A-87 as it relates to support of salaries and wages.

**Effect:**

The School Board is in violation of the provisions of OMB Circular A-87.

**Recommendation:**

The Supervisor of Federal Programs and NCLB should implement procedures to ensure compliance with the provisions of OMB Circular A-87.

**Management's Response and Correction Action Plan:**

Management concurs with the finding. See Management's Corrective Action Plan for their response.

**CITY OF BAKER SCHOOL BOARD  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2006**

**Findings – Financial Statement Audit**

**Finding 2005-1 Fixed Assets**

Recommendation:

The School Board should establish adequate written policies and procedures related to the accountability of fixed assets. In addition, the School Board should consider acquiring a fixed asset system to account for and monitor its physical assets and related depreciation.

Response: Unresolved – See Finding 2006-1

**Finding 2005-2 Cash Receipts/Revenues and Accounts Receivable Function and Transactions**

Recommendation:

The School Board should implement an adequate control environment that includes written procedures and management monitoring to ensure that all cash receipts and revenues are properly documented and recorded timely, accurate, and in accordance with GAAP.

Response: Resolved

**Finding 2005-3 Human Resources and Payroll**

Recommendation:

The School Board should develop written internal control procedures within the human resources and accounting departments to include a control environment that will ensure adequate segregation of duties, effective communication between the departments, and that current and complete personnel files for all employees are maintained by an individual who does not have payroll preparation responsibilities. I also recommend that the School Board consider the development and distribution of an employee manual. The School Board should also develop procedures to ensure that time and attendance related records are properly completed, signed, approved, and are securely filed and maintained.

Response: Unresolved – See Finding 2006-2

**Finding 2005-4 Journal Entries**

Recommendation:

I recommend the adoption of procedures whereby all journal entries will be accompanied by full explanation, adequately documented, and reviewed and approval by a responsible member of management.

Response: Resolved

**Finding 2005-5 Noncompliance with Budget Laws**

Recommendation:

The School Board's management should become familiar with the requirements of the Local Government Budget Act and develop procedures that will ensure compliance with the Act. Also, the budget should be used as a management tool in making financial decisions affecting the School Board.

Response: Unresolved – See Finding 2006-3

**Finding 2005-6 Interim Financial Reporting**

Recommendation:

The School Board should implement procedures requiring interim financial statements to ensure its oversight responsibilities of the financial condition and operations of the School Board.

Response: Resolved

**Finding 2005-7 Procurement Procedures and Cash Disbursement Functions**

Recommendation:

I recommend that the School Board adopt written policies and procedures related to procurement and cash disbursements that will require centralized purchasing, the utilization of the purchase order system, adequate supporting documentation, proper maintenance of files, and timely payment and recording of transactions. In addition, I recommend that requisitions, bids/quotes, invoices, applicable purchase orders, and receiving documents be attached and maintained in one file to eliminate the maintenance of an additional file and thus required filing time.

Response: Resolved

**Finding 2005-8 Failure to Reconcile and Analyze Certain General Ledger Accounts**

Recommendation:

The School Board should implement an adequate control environment that includes written procedures and management monitoring to ensure that all bank accounts and other critical balance sheet accounts are reconciled in a timely manner and reviewed by an appropriate supervisor. The written procedures should specifically identify employees to perform the reconciliations and the supervisor that is responsible for the review and approval.

Response: Unresolved – See Finding 2006-4

**Finding 2005-9 Student Activity Accounts**

Recommendation:

The School Board should develop written policies and procedures that ensure adequate internal controls and sufficient monitoring and oversight.

Response: Unresolved – See Finding 2006-5

City of Baker School Board  
Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2006

**Finding 2005-10 Special Revenue Fund Billings**

Recommendation:

The School Board should implement procedures that require timely submission of requests for reimbursement.

Response: Unresolved – See Finding 2006-6

**Finding 2005-11 Late Submission of the Audit Report**

Recommendation:

Management needs to place emphasis on providing audit related data in a timely manner and establish financial reporting procedures that will ensure the complete, accurate, and timely recording to transactions. In addition, management should develop and adhere to year-end closing procedures.

Response: Resolved

**Finding 2005-12 Bank Fail to Pledge Collateral to Secure Deposits**

Recommendation:

The School Board's management should implement procedures that require the monitoring of securities pledged by its financial institutions.

Response: Unresolved – See Finding 2006-7

**Finding 2005-13 Payment of Utility Bills with Credit Balances**

Recommendation:

I recommend that the School Board adopt written policies and procedures related to procurement and cash disbursements that will require payment for only goods and services received and that credit balances are applied to the next payment due the respective vendor or immediately request refunds.

Response: Resolved

**Findings and Questioned Costs – Major Federal Award Programs**

**Finding 2005-14 Support Documentation for Expenditures/Disbursements**

**10.555 – National School Lunch Program**

**Recommendation:**

Program personnel should comply with the provisions of OMB Circular A-87. In addition, management should adopt written policies and procedures related to disbursements that will require centralized purchasing, the utilization of a purchase order system, adequate supporting documentation, and proper maintenance of files.

**Response:** Resolved

**Finding 2005-15 Support Documentation for Expenditures/Disbursements**

**84.010A – Title I Grants to Local Educational Agencies**

**Recommendation:**

Program personnel should comply with the provisions of OMB Circular A-87. In addition, management should adopt written policies and procedures related to disbursements that will require centralized purchasing, the utilization of a purchase order system, adequate supporting documentation, and proper maintenance of files.

**Response:** Resolved

**Finding 2005-16 Support Documentation for Expenditures/Disbursements**

**84.027A – Special Education – Grants to States**

**Recommendation:**

Program personnel should comply with the provisions of OMB Circular A-87. In addition, management should adopt written policies and procedures related to disbursements that will require centralized purchasing, the utilization of a purchase order system, adequate supporting documentation, and proper maintenance of files.

**Response:** Resolved

**Finding 2005-17 Maintenance of Property Records**

**10.555 – National School Lunch Program**

**84.010A – Title I Grants to Local Educational Agencies**

**Recommendation:**

The School Board should establish adequate written policies and procedures related to the accountability and maintenance of federal property to ensure compliance with federal regulations.

**Response:** Resolved

City of Baker School Board  
Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2006

**Finding 2005-18 Employee Certifications and Payroll Activity Reports**

**10.555 – National School Lunch Program**  
**84.010A – Title I Grants to Local Educational Agencies**  
**84.318X – Education Technology State Grants**  
**84.027A – Special Education – Grants to States**

**Recommendation:**

The Supervisor of Federal Programs and NCLB should implement procedures to ensure compliance with the provisions of OMB Circular A-87.

**Response:** Partially resolved – See finding 2006-9

**CITY OF BAKER SCHOOL BOARD  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR  
FINDING AND QUESTION COSTS  
YEAR ENDED JUNE 30, 2006**

**REFERENCE NO. AND TITLE 2006-1 Fixed Assets**

**MANAGEMENT'S RESPONSE**

Management concurs with this finding. The school district has acquired a fixed assets system to monitor assets. All data relative to fixed assets will be updated and maintained in this system. Additionally the school system will adhere to the written policies and procedures related to the accountability of fixed assets and the Property Manager will document all activity relative to fixed assets with appropriate forms as outlined in the adopted Fixed Assets Manual.

**Person Responsible for Corrective Action**

Wayne Dyer  
City of Baker School System  
3033-C Ray Weiland Drive  
Baton Rouge, LA 70704-0680

Telephone Number: (225) 778-2377  
Email Address: wdyer@bakerschools.org

**Anticipated Completion Date**

July 16, 2007

**REFERENCE NO. AND TITLE 2006-2 Human Resources and Payroll Functions**

**MANAGEMENT'S RESPONSE**

Management concurs with this finding. Management is preparing written procedures to ensure accuracy and completion of time and attendance reports and submission of leave requests. These procedures will be distributed to staff responsible for time and attendance functions and formal training will be administered on these procedures upon completion. A process to monitor the completion of time and attendance reports in conjunction with the bi-monthly payroll process will also be established in alignment with these procedures.

**Person Responsible for Corrective Action**

Sidney Stewart  
City of Baker School System  
3033-C Ray Weiland Drive  
Baton Rouge, LA 70704-0680

Telephone Number: (225) 778-2377  
Email Address: sstewart@bakerschools.org

**Anticipated Completion Date**

On-going

**REFERENCE NO. AND TITLE 2006-3 Noncompliance with Budget Laws**

**MANAGEMENT'S RESPONSE**

Management concurs with this finding. The budget for the 2006-07 Fiscal Year was prepared in conformity with the Local Government Budget Act. Steps will be taken to amend the budget as needed.

**Person Responsible for Corrective Action**

Sidney Stewart  
City of Baker School System  
3033-C Ray Weiland Drive  
Baton Rouge, LA 70704-0680

Telephone Number: (225) 778-2377  
Email Address: sstewart@bakerschools.org



City of Baker School Board  
Corrective Action Plan for Current-Year  
Findings and Questioned Costs  
Year Ended June 30, 2006

Anticipated Completion Date

On-going

**REFERENCE NO. AND TITLE 2006-4 Failure to Reconcile and Analyze Certain General Ledger Accounts**

**MANAGEMENT'S RESPONSE**

Management concurs with this finding. Steps are being taken to ensure that all general ledger and subsidiary accounts are reconciled and analyzed on a timely basis. Procedures have been developed to reconcile Form 941 "Employer's Quarterly Federal Tax Return" to the general ledger and to record capital lease obligations on financial statements.

Person Responsible for Corrective Action

Sidney Stewart  
City of Baker School System  
3033-C Ray Weiland Drive  
Baton Rouge, LA 70704-0680

Telephone Number: (225) 778-2377

Email Address: sstewart@bakerschools.org

Anticipated Completion Date

On-going

**REFERENCE NO. AND TITLE 2006-5 Student Activity Accounts**

**MANAGEMENT'S RESPONSE**

Management concurs with this finding. An internal auditor has completed an audit of Student Activity Accounts at all five (5) schools and has provided financial reports on each school to the business manager. A standard Fiscal Management system has been implemented and staff at each school has been trained in its use. Recommendations for a modification to existing Student Activity Fund Procedures as presented by the auditor will be incorporated into a revised Student Activity Fund policy. Monthly financial reports using the newly adopted system will be required for submission to the Business Manager beginning January, 2007.

Person Responsible for Corrective Action

Sidney Stewart  
City of Baker School System  
3033-C Ray Weiland Drive  
Baton Rouge, LA 70704-0680

Telephone Number: (225) 778-2377

Email Address: sstewart@bakerschools.org

Anticipated Completion Date

On-going

**REFERENCE NO. AND TITLE 2006-6 Special Revenue Fund Billings**

**MANAGEMENT'S RESPONSE**

Management concurs with this finding. Management has established procedures that required requests for reimbursements to be completed monthly. This process will be implemented January, 2007. A tracking system is being established to monitor this process.

City of Baker School Board  
Corrective Action Plan for Current-Year  
Findings and Questioned Costs  
Year Ended June 30, 2006

Person Responsible for Corrective Action

Sidney Stewart  
City of Baker School System  
3033-C Ray Weiland Drive  
Baton Rouge, LA 70704-0680

Telephone Number: (225) 778-2377  
Email Address: sstewart@bakerschools.org

Anticipated Completion Date

On-going

**REFERENCE NO. AND TITLE 2006-7 Bank Fail to Pledge Collateral to Secure Deposits**

MANAGEMENT'S RESPONSE

Management concurs with this finding. Management has met with one of the two financial institutions to ensure that securities held for the City of Baker School System are properly pledged and are receiving pledge reports from that institution. Management has transmitted written correspondence to the other financial institution and is working with their staff to ensure that securities are properly pledged with their institution as well.

Person Responsible for Corrective Action

Sidney Stewart  
City of Baker School System  
3033-C Ray Weiland Drive  
Baton Rouge, LA 70704-0680

Telephone Number: (225) 778-2377  
Email Address: sstewart@bakerschools.org

Anticipated Completion Date

On-going

**REFERENCE NO. AND TITLE 2006 - 8 Public Bid Law**

MANAGEMENT'S RESPONSE

Management concurs with this finding. The School System has developed policies and procedures to ensure that all purchases are in compliance with the provisions of LSA-RS 38:2212.1.

Person Responsible for Corrective Action

Sidney Stewart  
City of Baker School System  
3033-C Ray Weiland Drive  
Baton Rouge, LA 70704-0680

Telephone Number: (225) 778-2377  
Email Address: sstewart@bakerschools.org

Anticipated Completion Date

On-going

**REFERENCE NO. AND TITLE 2006 - 9 Employee Certifications and Payroll Activity Reports**

MANAGEMENT'S RESPONSE

Management concurs with this finding. The Supervisor of Federal Programs and NCLB will implement procedures to ensure compliance with the provisions of OMB Circular A-87. Additionally, the Supervisor of Federal Programs

City of Baker School Board  
Corrective Action Plan for Current-Year  
Findings and Questioned Costs  
Year Ended June 30, 2006

and NCLB will notify Payroll and Human Resources of any reassignments affecting funding changes of any Grant funded employee(s).

Person Responsible for Corrective Action

Barbara Thomas Parker  
City of Baker School System  
3033-C Ray Weiland Drive  
Baton Rouge, LA 70704-0680

Telephone Number: (225) 778-2462  
Email Address: [bt Parker@bakerschools.org](mailto:bt Parker@bakerschools.org)

Anticipated Completion Date

On-going

## **LETTER TO MANAGEMENT**

**Melvin L. Davis**  
**Certified Public Accountant**

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(A Limited Liability Company)  
P. O. Box 73360 • Baton Rouge, Louisiana 70874  
Phone (225) 774-4703 • Fax (225) 774-4509

**Management Letter**

Members of the Board and Management  
City of Baker School Board  
Baker, Louisiana

Board Members and Superintendent:

In planning and performing my audit of the financial statements of the City of Baker School Board for the year ended June 30, 2006, I considered the School System's internal controls to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. I also considered its compliance with certain provisions of laws and regulations in order to properly perform the audit in accordance with governmental standards and not to provide an opinion on compliance with those provisions.

However, during my audit, I became aware of certain matters that are opportunities for improving financial reporting and refining policies and procedures. I will review the status of these comments during my next engagement. My comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. I will be pleased to discuss these comments in further detail at your convenience, to perform any additional study, or to assist you in implementing the recommendations. The following paragraphs summarize my comments and suggestions regarding those matters. This letter does not affect my report dated December 29, 2006, on the financial statements of the School System.

**Improve Documentation of Disbursement Transactions**

During my testing of disbursement transactions, I noted several instances in which disbursements were made based on copies of invoices, travel expenses lacked prior authorization, and determining clerical accuracy was difficult because of duplicate documentation included within the disbursement voucher. I recommend that management take appropriate steps ensure that all travel expenses are authorized in advance, when possible. In addition, duplicate documentation should be eliminate from disbursement vouchers and when copies of invoices are use for payment a stamp or notation on the face of the invoice stating that files have been researched to avoid duplicate payments.

**Failure to Record Transactions in a Timely Manner**

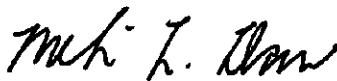
The School System submits monthly financial statements to the Board, but audit procedures disclosed that in some instances such transactions as interest earned on investments and interest-bearing bank accounts and various sources of revenues were not recorded in a timely manner. I recommend that procedures be adopted to aid in the preparation of the monthly statements and to give reasonable assurance of their accuracy.

Recent Accounting Pronouncement

The GASB has issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefit Plans Other Than Pensions*. This statement will require the School System to engage an actuarial firm to evaluate its post-retirement benefits. The requirements of the Statement are effective for the School System for the fiscal year 2008-2009.

My audit procedures are designed primarily to enable me to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended solely for the information and use of the management of the School Board, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Legislative Auditor as a public document.



Melvin L. Davis, CPA, LLC

Baton Rouge, Louisiana  
December 29, 2006

## **STATE REPORTING SECTION**

**Schedules Required by State Law  
(R.S. 24:514 Performance and Statistical Data)**

**Melvin L. Davis**  
**Certified Public Accountant**

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(A Limited Liability Company)  
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Independent Accountant's Report  
On Applying Agreed-Upon Procedures

To the Members of the  
City of Baker School Board  
Baker, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the City of Baker School Board (School Board) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

My procedures and findings relate to the accompanying schedules of supplementary information and are as follows:

**General Fund Instructional and Support Expenditures and  
Certain Local Revenue Sources (Schedule 1)**

1. I selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

**Comment:** There were several errors made in preparation of Schedule 1. The constitutional and renewable ad valorem taxes were understated by \$4,147 and \$31,679 respectively, because the School Board recorded the taxes at net, rather than at gross in accordance with generally excepted accounting principles and instructions provided the Louisiana Department of Education. In addition, sales and use taxes were understated by \$153,594 as result of understating the recording sales and use tax revenue receivable as of June 30, 2006.

**Management's Response:** Changes were made to correct the errors noted above. The corrected schedule is included.



### **Education Levels of Public School Staff (Schedule 2)**

2. I reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to the school board supporting payroll records as of October 1, 2005.

**Comment:** The number of full-time classroom teachers per Schedule 2 and Schedule 4 agreed, however, when comparing the schedules to the October 1, 2005 payroll records there was a difference of one (1) teacher. The School System agreed with the difference and the schedules were corrected as disclosed in this report.

3. I reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant per this schedule.

**Comment:** No exceptions were noted.

4. I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2005 and as reported on the schedule. I traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

**Comment:** No exceptions were noted.

### **Number and Type of Public Schools (Schedule 3)**

5. I obtained a list of schools by type as reported on the schedule. I compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

**Comment:** No exceptions were noted.

### **Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)**

6. I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2005 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

**Comment:** No exceptions were noted.

### **Public Staff Data (Schedule 5)**

7. I obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

**Comment:** No exceptions were noted.

8. I recalculated the average salaries and full-time equivalents reported in the schedule.

**Comment:** No exceptions were noted.

**Class Size Characteristics (Schedule 6)**

9. I obtained a list of classes by school. School type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. I then traced a random sample of 10 classes to the October 1, 2005 roll books for those classes and determined if the class was properly classified on the schedule.

**Comment:** I was unable to complete this procedure because the School System was unable to provide detail class size information to facilitate the tracing of my random sample of 10 classes to the October 1, 2005 roll books.

**Louisiana Educational Assessment Program (LEAP)  
for the 21<sup>st</sup> Century (Schedule 7)**

10. I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

**Comment:** No exceptions were noted.

**The Graduation Exit Exam for the 21<sup>st</sup> Century (Schedule 8)**

11. I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

**Comment:** No exceptions were noted.

**The IOWA Tests (Schedule 9)**

12. I obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

**Comment:** No exceptions were noted.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the City of Baker School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Louisiana Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Melvin L. Davis, CPA, LLC

Baton Rouge, Louisiana  
December 29, 2006

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**

**Schedules Required by State Law (R.S. 24:514 – Performance and Statistical Data)**  
**As of and for the Year Ended June 30, 2006**

**Schedule 1 – General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 – Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 – Number and type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 4 – Experience of Public Teachers and Full-time Classroom Teachers**

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 – Public School Staff Data**

This schedule includes average classroom teachers salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6 – Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 7 – Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and including summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 8 – The Graduation Exit Exam**

This schedule represents student performance testing data and including summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 9 – The IOWA Tests**

This schedule represents student performance testing data and including summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**

**General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2006**

**General Fund Instructional and Equipment Expenditures**

## General Fund Instructional Expenditures:

## Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 4,469,296	
Other Instructional Staff Activities	858,043	
Employee Benefits	1,422,924	
Purchased Professional and Technical Services	8,576	
Instructional Materials and Supplies	273,913	
Instructional Equipment	8,537	
Total Teacher and Student Interaction Activities		\$ 7,041,289

Other Instructional Activities		72,097
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Pupil Support Activities	721,204	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		721,204

Instructional Staff Services	432,502	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		432,502

Total General Fund Instructional Expenditures		\$ 8,267,092
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Total General Fund Equipment Expenditures		\$ 8,537
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**Certain Local Revenue Sources**

## Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 137,390
Renewable Ad Valorem Tax	1,059,581
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	37,098
Sales and Use Taxes	3,404,892
Total Local Taxation Revenue	\$ 4,638,961

## State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 35,357
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ 35,357

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**

**Education Levels of Public School Staff**  
**As of October 1, 2005**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	2	1.3%	2	100.0%	0	0.0%	0	0.0%
Bachelor's Degree	95	62.5%	0	0.0%	0	0.0%	0	0.0%
Master's Degree	35	23.0%	0	0.0%	6	66.7%	0	0.0%
Master's Degree + 30	18	11.8%	0	0.0%	2	22.2%	0	0.0%
Specialist in Education	1	0.7%	0	0.0%	0	0.0%	0	0.0%
Ph. D. or Ed. D.	1	0.7%	0	0.0%	1	11.1%	0	0.0%
<b>Total</b>	<b>152</b>	<b>100%</b>	<b>2</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**

**Number and Type of Public Schools**  
**For the Year Ended June 30, 2006**

Type	Number
Elementary	3
Middle/Jr. High	1
Secondary	1
Combination	
<b>Total</b>	<b>5</b>

Note: Schools opened or closed during the fiscal year are included in this schedule.

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**

**Experience of Public Principals, Assistant Principals, and Full Time Classroom Teachers**  
**As of October 1, 2005**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	0	0	2	1	1	4
Principals	0	0	0	0	2	0	3	5
Classroom Teachers	32	21	37	10	8	18	28	154
<b>Total</b>	32	21	37	10	12	19	32	163

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**

**Public School Staff Data**  
**For the Year Ended June 30, 2006**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC and Rehired Retirees</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	\$35,340	\$34,128
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	\$33,920	\$32,887
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	146.27	133.63

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.



**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**

**Class Size Characteristics**  
**As of October 1, 2005**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	33.3%	148	58.0%	258	6.5%	29	2.2%	10
Elementary Activity Classes	34.9%	22	54.0%	34	6.3%	4	4.8%	3
Middle/Jr. High	62.7%	148	30.1%	71	7.2%	17	0.0%	0
Middle/Jr. High Activity Classes	65.0%	26	17.5%	7	15.0%	6	2.5%	1
High	66.9%	182	24.6%	67	8.1%	22	0.4%	1
High Activity Classes	91.0%	60	4.5%	3	3.0%	2	1.5%	1
Combination	0.0%	0	0.0%	0	0.0%	0	0.0%	0
Combination Activity Classes	0.0%	0	0.0%	0	0.0%	0	0.0%	0

**Note:** The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**

**Louisiana Educational Assessment Program (LEAP) for the 21st century**  
**For the Year Ended June 30, 2006**

District Achievement Level Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Students</b>												
<b>Grade 4</b>												
Advanced	0	0%	0	0%	2	1%	0	0%	0	0%	0	0%
Mastery	11	5%	16	9%	15	7%	7	3%	2	1%	13	6%
Basic	63	30%	58	33%	74	35%	61	29%	50	29%	59	28%
Approaching Basic	63	30%	57	33%	52	25%	56	27%	50	29%	62	30%
Unsatisfactory	73	35%	43	25%	67	32%	85	41%	72	41%	76	36%
<b>Total</b>	<b>210</b>	<b>100%</b>	<b>174</b>	<b>100%</b>	<b>210</b>	<b>100%</b>	<b>209</b>	<b>100%</b>	<b>174</b>	<b>100%</b>	<b>210</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Students</b>												
<b>Grade 8</b>												
Advanced	2	0%	1	1%	0	0%	0	0%	0	0%	0	0%
Mastery	4	3%	3	5%	12	8%	1	1%	6	5%	14	10%
Basic	48	28%	32	25%	47	32%	63	37%	45	35%	65	45%
Approaching Basic	72	43%	52	40%	41	28%	55	33%	31	24%	45	31%
Unsatisfactory	43	25%	38	29%	45	31%	50	30%	46	36%	21	14%
<b>Total</b>	<b>169</b>	<b>99%</b>	<b>126</b>	<b>100%</b>	<b>145</b>	<b>99%</b>	<b>169</b>	<b>101%</b>	<b>128</b>	<b>100%</b>	<b>145</b>	<b>100%</b>

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**

**The Graduation Exit Exam for the 21st Century**  
**For the Year Ended June 30, 2006**

District Achievement Level Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>												
Advanced	0	0%	0	0%	0	0%	1	1%	0	0%	0	0%
Mastery	9	7%	12	8%	10	8%	9	7%	8	5%	11	9%
Basic	57	45%	60	40%	41	34%	46	37%	56	37%	33	26%
Approaching Basic	32	25%	43	28%	32	27%	23	18%	33	22%	25	20%
Unsatisfactory	28	22%	37	23%	37	31%	47	37%	55	36%	57	45%
<b>Total</b>	<b>126</b>	<b>99%</b>	<b>152</b>	<b>99%</b>	<b>120</b>	<b>100%</b>	<b>126</b>	<b>100%</b>	<b>152</b>	<b>100%</b>	<b>126</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>												
Advanced	0	0%	1	1%	1	1%	1	1%	0	0%	0	0%
Mastery	6	4%	8	7%	8	6%	2	1%	5	4%	9	7%
Basic	36	26%	35	32%	41	30%	62	45%	46	41%	57	41%
Approaching Basic	56	41%	236	23%	46	34%	37	27%	21	19%	48	35%
Unsatisfactory	39	28%	41	37%	41	30%	35	26%	41	36%	24	17%
<b>Total</b>	<b>137</b>	<b>99%</b>	<b>321</b>	<b>100%</b>	<b>137</b>	<b>101%</b>	<b>137</b>	<b>100%</b>	<b>113</b>	<b>100%</b>	<b>138</b>	<b>100%</b>

**CITY OF BAKER SCHOOL BOARD**  
**Baker, Louisiana**

**The IOWA and /LEAP Tests**

**IOWA Tests**

	Composite	
	2005	2004
<b>Test of Basic Skills (ITBS)</b>		
Grade 3	34	40
Grade 5	44	43
Grade 6	33	35
Grade 7	40	37
<b>Tests of Educational Development (ITED)</b>		
Grade 9	37	40

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.

**/LEAP Tests**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	0	0%	0	0%	0	0%	2	1%
Mastery	4	3%	0	0%	3	2%	12	8%
Basic	36	24%	41	27%	41	27%	59	39%
Approaching Basic	45	30%	49	32%	58	39%	33	22%
Unsatisfactory	66	44%	61	40%	48	32%	44	29%
<b>Total</b>	<b>151</b>	<b>101%</b>	<b>151</b>	<b>99%</b>	<b>150</b>	<b>100%</b>	<b>150</b>	<b>99%</b>

???

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	0	0%	1	0%	0	0%	0	0%
Mastery	4	3%	4	3%	3	2%	4	3%
Basic	44	30%	54	36%	32	21%	38	26%
Approaching Basic	48	32%	41	28%	64	43%	47	32%
Unsatisfactory	53	36%	48	32%	50	34%	60	40%
<b>Total</b>	<b>149</b>	<b>101%</b>	<b>148</b>	<b>99%</b>	<b>149</b>	<b>100%</b>	<b>149</b>	<b>101%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	1	0%	1	1%	0	0%	0	0%
Mastery	14	8%	3	2%	7	4%	5	3%
Basic	71	42%	58	34%	56	33%	50	29%
Approaching Basic	54	32%	46	27%	69	40%	65	38%
Unsatisfactory	31	18%	63	37%	39	23%	51	30%
<b>Total</b>	<b>171</b>	<b>100%</b>	<b>171</b>	<b>101%</b>	<b>171</b>	<b>100%</b>	<b>171</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	2	1%	0	0%	0	0%	0	0%
Mastery	16	8%	1	0%	7	3%	3	1%
Basic	67	33%	55	27%	48	23%	64	31%
Approaching Basic	81	39%	74	36%	89	44%	60	29%
Unsatisfactory	40	19%	76	37%	61	30%	78	38%
<b>Total</b>	<b>206</b>	<b>100%</b>	<b>206</b>	<b>100%</b>	<b>205</b>	<b>100%</b>	<b>205</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics	
	2006		2006	
Students	Number	Percent	Number	Percent
<b>Grade 9</b>				
Advanced	0	0%	0	0%
Mastery	8	7%	4	4%
Basic	41	36%	32	28%
Approaching Basic	45	39%	29	25%
Unsatisfactory	21	18%	49	43%
<b>Total</b>	<b>115</b>	<b>100%</b>	<b>114</b>	<b>100%</b>